

m/047/013

ZIEGLER CHEMICAL & MINERAL CORP.

LITTLE BONANZA OPERATIONS

STAR ROUTE, VERNAL, UTAH 84078

Telephone: (435) 789-3593 Fax: (435) 789-3595

September 16, 2003

D. Wayne Hedberg
Permit Supervisor
Division of Oil, Gas and Mining
1594 West North Temple, Suit 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Division letter of July 23, 2003 in regards to proposed Permit Amendment,
Cowboy Vein Final Closure, Ziegler Chemical & Mineral Corp. Gilsonite
Operation: M/0470013, Uintah County, Utah

Dear Mr. Hedberg,

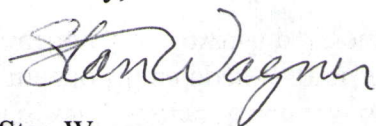
Presently Ziegler Chemical & Mineral Corp. is using waste rock from the Sterling #1 mine to fill an open-cut portion of the Cowboy Vein that transects Ziegler Patent Land in Section 4 of Township 9 South, Range 24 East (Lots 1 & 2).

We would propose to amend our present reclamation plan to include the use of mine waste from old slack piles associated with mining from the Sterling #1, and Independent Vein mines #1, #2, and #3. This mine rock will be trucked to the site of the open-cut and pushed in by a front-end loader. (All of these mines are located on Ziegler Patent Land located in Section 16 of Township 9 South, Range 24 East.)

We would also propose to amend our present reclamation plan to include the use of fly ash purchased from our neighbors at Deseret Generation and Transmission. DG&T is willing to sell the fly ash cheap enough to make it viable as a fill. (It is of interest to note that the Bureau of Land Management is interested in the use of DG&T fly ash as a fill material for the old White River Shale Project.)

We have been using ZCMC equipment during slow production periods to make this transfer of materials. By doing so we are fulfilling our commitment to the reclamation of this area, and doing it in a manner that will only serve to reduce the reclamation bonding over the long run.

Sincerely,



Stan Wagner

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DIV. OF OIL, GAS & MINING